

Attachment A - Cost Comparison

Option	Description	Upfront Revenue	Initial Replacement Cost	10-yr. Replacement Cost	Monthly Payment to PGE	Annual Payment to PGE	Lifetime Cost (20-yrs.)	First Full Payment to PGE	Pro/Con
A	PGE owns and maintains all lights and poles. PGE buys remaining City owned lights and poles that have remaining value and replaces 630 failing poles. Cost of replacing failing poles is included in monthly PGE charges	\$ 1,600,000	\$ -	\$ -	\$ (44,720)	\$ (536,640)	\$ (8,816,308)	4th year - First three years are covered by purchase cost of existing poles	<u>Pro</u> <ul style="list-style-type: none">• Upfront payment from PGE for existing assets• No payment to PGE for first three years• No end of life costs for City• No upfront capital costs for City• Little to no staff time required• No large capital investments required during lifetime of streetlights• PGE would replace LED lights with new technology in future years <u>Con</u> <ul style="list-style-type: none">• More expensive lifetime cost• Most expensive annual cost
B	City owns all lights and poles and PGE maintains them. City replaces end of life poles and converts lights from HPS to LED. When poles and lights reach end f useful life again, City would either need to pay to replace them or convert them to Option A at that time.	\$ -	\$ (2,800,000)	\$ (1,600,000)	\$ (10,261)	\$ (123,132)	\$ (6,836,976)	1st year	<u>Pro</u> <ul style="list-style-type: none">• Least expensive lifetime cost• Least expensive annual cost• City would realize power savings by switching to LED (included in annual cost) <u>Con</u> <ul style="list-style-type: none">• Large upfront capital cost to replace 630 poles and to convert HPS lights to LED• Large midlife capital cost to replace LED with new technology• Large future end of life cost for City (or convert to A at that time)• Significant staff time required to manage program
Hybrid	City continues to own poles that have not reached end of life and PGE owns the lights and maintains everything. 630 existing laminated wood poles that are failing would be converted to Option A.	\$ -	\$ -	\$ -	\$ (29,898)	\$ (358,776)	\$ (6,966,524)	1st year	<u>Pro</u> <ul style="list-style-type: none">• No end of life costs for City• No upfront capital costs for City• Less expensive lifetime cost compared to Option A <u>Con</u> <ul style="list-style-type: none">• Some staff time required to manage• First year annual payment significantly more than current budget

NOTES

- All cost shown on this table are in 2020 dollars.
- Small cell lease fees are not a differentiator. Assume new pole is required and transfer pole to City ownership or leave with PGE ownership on a case by case basis.
- Lifetime cost was estimated using a Net Present Value Comparison to convert all lifetime costs to 2020 dollars.
- Analysis assumed all existing HPS lights would be converted to LED as they fail and as HPS technology become obsolete and that 630 end of life poles will be replaced in the next few years.
- Today we pay \$267,444 annually for our option B lights. We also have \$27,060 for existing option A lights.